

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1448 – HB 1563

April 8, 2021

SUMMARY OF BILL: Prohibits a local government, after the effective date of the act, from entering into or renewing a contract for the operation of a private prison.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – The precise amount and timing of any net fiscal impact to state and local government is unable to be determined with reasonable certainty.

Assumptions:

- Pursuant to Tenn. Code Ann. § 41-24-102(5), a prison contractor is defined as any entity entering into a contractual agreement with the Commissioner of the Department of Correction (DOC) to provide correctional services to inmates under the custody of the DOC.
- Based on information previously provided by the DOC, three facilities have a county government contract for prison services with a capacity for 6,104 inmates and the expiration of the current contracts are as follows:
 - Trousdale Turner Correctional Center – July 5, 2021
 - Whiteville Correctional Facility – June 30, 2021
 - Hardeman County Correctional Facility – June 30, 2024
- Upon the expiration of each contract, the proposed legislation will require DOC to lease or purchase the property to house inmates and to contract or hire staff for the provision of correctional services and operation of facilities for approximately 6,104 inmates.
- The daily reimbursement rate to the local facilities housing felons in local jails is \$39.
- The proposed legislation will result in a total recurring decrease in local revenue estimated to be \$86,949,954 (\$39 per day x 365.25 days x 6,104 inmates) beginning upon expiration of such contracts.
- The proposed legislation will result in a corresponding decrease in local expenditures estimated to be \$86,949,954.
- This legislation may result in an increase in local revenue and corresponding local expenditures if inmates are transferred from one local facility to another local facility upon expiration of a contract.
- The precise amount and timing of such net impacts on specific local governments statewide is dependent on multiple variables including but not limited to any transfer of

inmates from a closing facility to an open local facility, and therefore cannot be reasonably determined.

- The precise fiscal impact of the proposed legislation to state expenditures is dependent upon multiple unknown variables, including: any negotiated contract to lease or purchase infrastructure, the party of any contract, the negotiated rate in any contract for operational services, any staff hired to provide such services, and any county government involvement in any portion of the restructuring process. As such, the precise timing and fiscal impact resulting from the proposed legislation is unable to be determined with reasonable certainty.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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